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PROFILE: HOLIDAY INNS

The gambles that paid off—Pages 57-128

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The Newspaper of the Food Service Industry

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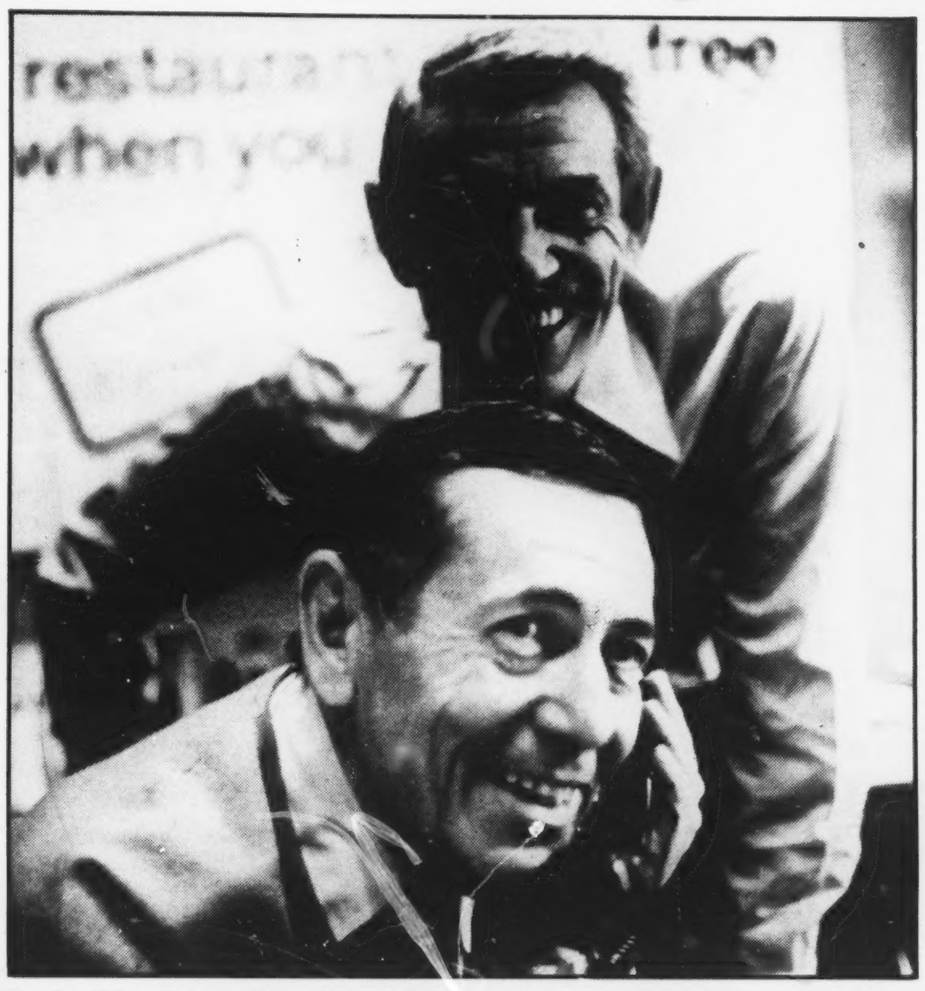
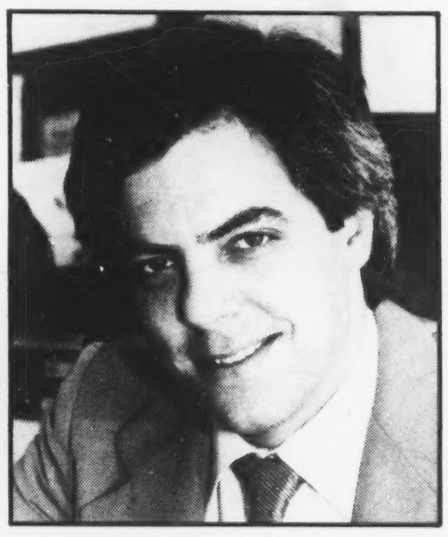
Riese brewing a new chain for every corner

Tightly knit family company seeking vast restaurant empire in Northeast





Left, The Riese Brothers, Murray (top) and Irving, who founded the family empire some 40 years ago. Right, Dennis Riese, who now heads the Riese Organization restaurant division.

By Charles Bernstein

NEW YORK—Marching to the tune "Location Location Location" through the Greater New York Area and preparing intensive assaults on Philadelphia and other Northeastern citadels is Dennis Riese, who is celebrating his 33rd birthday this month with new restaurant conquests of whole corners, blocks and areas. His restaurants already dominate Times Square and Broadway in midtown Manhattan, as well as railroad stations and bus terminals.

The private and tightly held Riese Organization (formerly known as the Riese Bros. and still known as National Restaurants Management Company Inc.) has just signed a franchise deal with Los Angeles-based Collins Foods to launch 25 Sizzler steakhouses in New York City and 25 in Connecticut and Long Island. They will be called Sizzler steak, seafood and salad restaurants and will be the first Sizzler units to offer cocktail lounges and full liquor service.

At the same time Dennis Riese, president of the restaurant division, is moving ahead with plans for 30 franchise Roy Rogers units in New York City; 25 Godfather's Pizza franchise restaurants in New York and a potential 50 in the suburbs, and the remerchandising of 19 Chock Full o'Nuts counter restaurants with a "quality hamburger instead of the old steam cooked one" and an extension of "the extremely limited items" the chain had under its former management. (Riese already has four Roy Rogers and six Godfather's opened.)

Dennis also seeks to add a fast-food chicken chain to his franchisee arsenal (Popeye's, Chicken George and Church's are the leading candidates) and greatly expand his five-unit Charley O's by possibly taking over the two Charley O's owned by Peter Ashkenasy's American Hospitality Corp. (in Chapter 11), and opening others.

Riese's hottest concepts slated for expansion in New York City and the suburbs are the six-unit Lindy's (based on nostalgia but appealing heavily to tourists), the six-unit David's Cookies, the six-unit Häagen-

(Continued on page 184)

Gunning for McD

BK's new breakfasts set to roll

MIAMI—Burger King apparently is poised to offer a new breakfast program to franchisees following several months of testing croissant sandwiches, a toppings bar featuring fresh fruit, brand-name syrups and freshly squeezed orange juice, plus other innovations in place at Miami-area company units. Buffets and kiosks are also being tried.

Company executives were unavailable at presstime for comment on the reports.

Some 1,200 Burger King restaurants—about 30% of the worldwide total—now serve breakfast. Some franchisees, however, have been reluctant to open for breakfast because they say profit margins are slim for the low-ticket, low-traffic meal period.

Breakfast is crucial, though, to Burger King's corporate goals of building market share and boosting average unit volumes to the $1 million mark. Average sales are about $870,000 compared to about $1.2 million at McDonald's, which has had a systemwide breakfast program since the mid-1970's.

"Breakfast is a no-win situation for licensees," remarked a multiunit fran-

(Continued on page 184)

Trans World Airline divestiture pending

By Roman Czajkowsky

NEW YORK—Trans World Corporation stockholders face a Dec. 28 decision on whether to ditch a troubled airline in favor of more promising hospitality industry businesses.

If the ayes carry the day, a new Trans World, shorn of T.W.A. and composed of Hilton International, Spartan Food and Canteen, would emerge as a more focused powerhouse in the hospitality industry.

Such a scenario holds possibly far-reaching implications for a company that would be considerably smaller in terms of total revenues, but also healthier financially—and thus conceivably poised for more rapid growth.

TRANS WORLD CORP.

Food-Service and Hotel Divisions

	Nine-Month Pretax Profits (Millions)	% Change	Nine-Month Revenues (Millions)	% Change
Canteen	$17.4	+13.0	$555.0	− 3.3
Spartan Foods	$36.5	+25.0	$261.0	+21.0
Hilton International	$34.0	−22.0	$525.0	0.0

Source: *NRN* Research

Spinning off T.W.A. into a separate, publicly held company would cut Trans World's $5 billion revenues by more than half. But a go-ahead is likely to have at least two other major effects:

- Top corporate management would be freed to devote their full energies to the company's hospitality related subsidiaries, which already are its top profit makers.
- Investors' confidence in the "new" entity would likely be bolstered, thus possibly boosting company stock which in turn would strengthen its creditworthiness and create ways to raise cash for business expansion, including acquisitions.

The stockholders meeting follows the Trans World board's directive to management earlier this year to devise a program under which the parent company's 81% share of

(Continued on page 182)

Collins bullish on pizza market with latest acquisition

By Richard Martin

CHICAGO—Gino's East, the 18-year-old North Side Chicago restaurant which proclaims itself maker of the world's best pizza, has been acquired by Collins Foods International of Los Angeles as an international expansion vehicle.

Joining forces with Collins on the deal is Chicago-based Lettuce Entertain You Inc., the innovative 15-unit restaurant group whose president, Richard Melman, introduced Collins' principals to Gino's East last summer.

Lettuce Entertain You has been granted exclusive franchise rights to the state of Illinois and Buffalo, N.Y., and will manage the original 400-seat Gino's East while developing an operational prototype for future units.

Gino's East, acquired for an undisclosed amount of cash, turns a $4 million annual business on its menu of Chicago-style deep-dish pizzas, a variety of pastas and other dishes bringing an average per-person check of about $8. The restaurant features a full bar and is described as selling more beer than any place in Chicago, aside from Comiskey Park baseball stadium.

Collins Foods, KFC Corp.'s largest franchisee and 72% owner of Sizzler Restaurants, had net profits of $12.4 million on revenues of $325.5 million for the year ended April 30. The company plans to open its first two Gino's East units in Australia early next year, followed by domestic development of six more in the coming fiscal year starting May 1, and 12 more the following year.

Jim Scharf, formerly active in field operations for Collins' Sizzler division, has been named Gino's East division manager.

Collins Foods envisions development of both freestanding and in-line units, some of which may be conversions, starting in

(Continued on page 184)

LATE NEWSBREAKS

Collins Foods, Los Angeles, says it will offer $30 million of debentures to finance a hamburger restaurant joint venture with Big Four Restaurants, Phoenix, and Lettuce Entertain You Enterprises of Chicago.

Ponderosa's new 30-ft. salad buffet (in 274 stores) is generating the highest weekly volumes in the chain's history, chairman Gerald Office said, but high write-off costs for the buffet contributed to a 74% drop in net profit to $1 million on a 1% revenue rise to $92.8 million for the third quarter.

Arby's disclosed limited market tests of topped baked potatoes like those recently introduced by Wendy's, and is rolling out to half its 1,265 company units a croissant breakfast program, including ham and cheese, ham and egg, bacon and egg and mushroom and cheese-filled croissants.

FINANCIAL NEWS

BK, S & A Corp. boost Pillsbury earnings

MINNEAPOLIS—Led by the "outstanding performance" of Burger King, Steak & Ale and Bennigan's, parent Pillsbury reported a 36% rise in net profits to $35 million on a 15% sales increase to $929 million in fiscal 1984's first quarter ended Aug. 31 compared to the year-earlier period.

Operating profits at the three restaurant chains were more than 45% ahead of last year and restaurants contributed nearly two-thirds of the company's overall sales increase, according to a company report.

Burger King continued to benefit from its "battle of the burgers" ad campaign during the quarter, posting a 14% rise in average domestic unit sales. For the 12 months ended Aug. 31, Burger King's average unit sales were $870,000.

Burger King opened 83 units in the quarter toward its goal of 300 new units by the end of the fiscal year in May. As of Aug. 31, there were 3,575 Burger King units operating worldwide.

Pillsbury's S & A Restaurant Corp. (Steak & Ale and Bennigan's) reported a 26% sales increase in the first quarter. Average unit sales rose 13% at Steak & Ale but were off 2% at Bennigan's.

The 178-unit Steak & Ale chain has average unit sales of $1.35 million and the 116-unit Bennigan's $2.35 million average unit sales for the 12 months ended Aug. 31.

Pillsbury plans to open 40 new Bennigan's during the current fiscal year but does not expect to expand Steak & Ale.

S & A Restaurant Corp. is testing a "gourmet" burger concept with beer and wine called J. J. Muggs and "if successful, will follow Bennigan's as the next growth vehicle for S & A Restaurant Corp.," according to Win Wallin, Pillsbury president and chief operating officer.

PepsiCo restaurants' profit rises 29%

PURCHASE, N.Y.—PepsiCo's food-service division reported operating profit increases of 29% for the third quarter, ended Sept. 3, compared to the same period last year. The division includes Pizza Hut and Taco Bell. Revenues increased 18%.

Company-owned Pizza Huts and Taco Bells had average real sales growth of 10% in the quarter, the corporation said.

PepsiCo attributed the gains to the "widening popularity" of Pizza Hut's pan Pizza and new lunch program.

The corporation does not break down the figures for each restaurant concept.

PepsiCo, meanwhile, reported that net profits were down 12% in the quarter, to $95.2 million.

Food-service chain stock analysis table

		STOCK PRICE							TREND TO MARKET				EARNINGS/SHARE					P/E	DIVIDENDS			FINANCIAL POSITION					
		Two Weeks Ended Nov. 18.							Price Trend (% per day)		Volume Trend (% per day)			Latest 12 Months vs Preceding 12 Months Change		5-Year Annual Growth Rate	Profit Margin		Indicated Dvd. Rate			Last Fiscal Year			Last Fiscal Year (Per Share)		
Name	Symbol	High	Low	Close	Change Amt.	Change Pct.	52-Week High	52-Week Low	Last 30 Days	Last 5 Days	Last 30 Days	Last 5 Days	Last Fiscal Year	Amt.	Pct.			Latest P/E Ratio	Amt.	Yield	Last X-Dvd. Date	Revenue	Earnings	Current Ratio	Long Term Debt	Common Stock Equity	Last Balance Sheet Date
—	—	$	$	$	$	%	$	$	%	%	%	%	$	$	%	%	%	—	$	%	—	$ Mil.	$ Mil.	—	$	$	—
Acapulco Y Los	ALAR	6.00	5.75	5.88	-.13	-2.08	7.50	5.00	-.25	-.77	1.63	7.90	.05	.10 N	500.0	-8.0	.3	49.0	.00	.0	01-06-81	37.1	.1	1.4	6.13	2.99	1082
Am Motor Inns	INN	34.25	31.25	34.00	3.00	9.68	38.50	24.75	.01	.11	-2.61	-55.77	2.52	.42 F	20.0	53.0	8.6	13.5	.25	.7	08-10-83	162.5	13.9	1.8	12.04	15.89	0783
ARA Services	ARA	52.00	47.00	51.75	4.50	9.52	55.00	31.25	.01	.47	-.46	1.92	4.51	1.08 F	31.4	-3.0	1.8	11.5	2.05	4.0	11-25-83	3056.6	53.7	1.1	22.39	44.25	0982
Assoc Hosts	AHST	16.00	14.50	15.75	1.25	8.62	18.50	4.25	.10	-.40	.92	-29.20	.39	.13 N	30.9	-7.0	2.2	28.6	.12	.8	07-05-83	78.6	1.7	1.6	4.40	5.05	0982
Beefsteak Char	BCS	4.75	4.50	4.63	.00	.00	9.75	4.13	-.20	-.52	.38	27.55	.88	-.28 N	-35.4	32.0	3.7	9.1	.00	.0	00-00-00	97.1	3.6	1.3	5.92	4.23	1082
Bob Evans Farms	BOBE	24.00	23.00	24.00	.75	3.23	26.81	18.00	.02	.84	-3.98	-1.28	.89	.04 Q	4.4	23.0	7.5	25.8	.26	1.1	09-19-83	187.5	14.1	3.0	.00	5.54	0483
Bonanza Intl Inc	BNZA	1.38	1.00	1.38	.25	22.22	3.69	1.00	-3.94	2.58	-.67	-3.02	.06	1.11 N	NE	-84.0	3.1	5.5	.00	.0	11-02-83	16.1	.5	1.6	4.85	.84	1282
Brock Hotel Cp	BHC	6.50	5.38	6.50	1.00	18.18	11.38	5.38	-.56	2.23	.28	13.25	.55	-.97 N	-118.2	-6.0	2.8	NE	.10	1.5	09-27-83	255.6	7.1	1.1	16.64	4.38	1282
Calny Food	CLNY	14.50	14.25	14.25	-.25	-1.72	17.25	6.66	.20	-.74	-3.54	4.11	.80	.11 S	15.0	8.0	4.6	17.0	.20	1.4	07-27-83	30.2	1.4	.4	3.71	2.24	0283
Captain Crab's	CRAB	6.88	5.50	6.38	-.25	-3.77	8.38	2.13	-.10	-1.57	.82	-30.90	.00	.00 F	NC	NC	.0	NE	.00	.0	00-00-00	1.5	.0	7.0	.04	.22	0882
Carrols Cp	CRL	9.38	8.63	8.75	-.25	-2.78	11.88	3.19	-.46	-.10	-1.34	4.66	.50	.28 F	127.2	69.0	3.6	17.5	.06	.7	08-29-83	85.2	3.1	.6	3.28	2.00	0582
Chart House	CHHO	22.25	19.25	22.00	1.88	9.32	25.19	13.75	-.34	1.92	1.95	-48.62	1.39	.05 N	3.5	15.0	4.9	15.2	.40	1.8	10-18-83	382.0	18.7	1.0	6.14	8.75	1282
Chi-Chi's	CHIC	25.75	23.00	25.50	2.25	9.68	29.00	11.47	-.43	2.15	1.54	3.87	.39	.23 Q	104.5	69.0	9.4	56.7	.00	.0	09-28-83	94.2	8.9	2.6	1.87	1.62	0483
Ch Full O Nut	CHF	14.38	11.75	13.38	.00	.00	24.38	11.75	-1.77	1.55	7.76	-15.34	.64	.23 F	56.0	-3.0	2.9	20.9	.50	3.7	07-15-83	111.6	3.2	3.1	.43	5.97	0782
Churchs Fr Ch	CHU	32.50	26.63	29.75	2.88	10.70	33.50	21.84	.77	-1.41	8.40	-30.96	2.19	-.27 N	-11.8	11.0	10.1	14.8	.72	2.4	10-24-83	413.1	41.6	1.8	.62	11.74	1282
Cindys Inc	CNDYC	3.00	2.75	3.00	.25	9.09	4.00	2.63	-.67	2.42	-2.27	27.36	.13	.46 S	NE	30.0	2.1	10.3	.00	.0	00-00-00	14.3	.3	.0	4.63	.43	1282
Collins Foods	CF	20.13	18.50	20.00	1.38	7.38	20.13	11.69	.41	1.67	3.00	14.58	1.47	.32 Q	26.0	29.0	3.8	12.9	.20	1.0	09-23-83	324.4	12.4	1.8	4.14	8.71	0483
Consul Corp	CNSL	17.88	15.25	17.88	1.63	10.00	18.75	9.00	-.13	2.04	.58	-6.93	.26	.33 Q	NE	40.0	2.5	57.7	.00	.0	00-00-00	32.0	.8	5.0	1.08	5.67	0583
Cracker Barrel	CBRL	21.75	19.75	20.50	-1.50	-6.82	27.34	11.50	-.62	.77	-.63	-35.40	.86	.17 F	24.6	28.0	4.4	23.8	.14	.7	08-30-83	45.7	2.0	4.1	2.64	7.33	0783
Denny's Inc	DEN	38.25	34.75	37.13	1.63	4.58	38.25	27.13	.30	-.32	-1.46	-20.28	2.54	.13 Q	5.2	13.0	3.8	14.2	.72	1.9	12-06-83	1054.6	40.2	1.7	17.92	17.17	0683
Dunkin Donuts	DUNK	22.88	21.75	22.38	-.88	-3.76	28.75	16.00	-.26	-.75	1.38	-21.84	1.40	.22 N	16.2	25.0	9.4	14.3	.28	1.3	08-15-83	71.3	6.7	1.2	12.87	15.97	1082
Frisch's	FRS	33.75	33.13	33.63	-.25	-.74	34.25	12.25	.92	-.04	-2.64	-11.90	1.92	.48 Q	28.0	24.0	3.7	15.4	.40	1.2	09-28-83	110.6	4.1	1.3	5.95	15.14	0583
Godfather's Pizza	GFPZ	18.38	16.13	18.25	1.75	10.61	25.50	14.25	-.24	2.04	4.10	-20.27	.65	.06 N	10.0	110.0	15.8	27.7	.00	.0	00-00-00	37.9	6.0	2.1	.55	1.99	1282
Hambrg Hamlet	HAMB	9.50	9.50	9.50	.00	.00	12.00	6.00	-.32	-.22	6.39	-38.89	-1.10	-2.45 F	-181.4	-22.0	-2.4	NE	.00	.0	00-00-00	34.0	-.8	1.0	20.86	11.96	0383
Hilton Hotels	HLT	59.50	54.63	56.75	2.13	3.89	60.25	40.13	.53	.00	-4.92	37.37	3.04	.37 N	10.5	12.0	14.4	14.6	1.80	3.2	08-29-83	562.9	81.3	2.0	6.73	21.31	1282
Holiday Inns	HIA	54.75	47.75	53.00	4.25	8.72	59.00	31.00	-.08	.85	2.07	5.96	2.50	.71 N	29.3	14.0	6.8	16.9	.84	1.6	09-12-83	1425.3	97.2	.9	11.74	25.35	1282
Horn & Hardart	HOR	24.38	22.25	24.00	1.50	6.67	32.34	13.75	-.67	1.22	.12	-7.30	.74	.37 S	62.7	83.0	2.8	25.0	.00	.0	07-12-83	235.4	6.6	1.1	9.46	4.77	1282
Hungry Tiger	HTIG	8.50	7.75	7.75	-.75	-8.82	12.25	7.63	-.39	.04	-.03	-33.03	.00	-.78 F	-100.0	-9.0	.0	NE	.00	.0	11-15-82	63.8	.0	.6	4.91	5.57	0882
Imperial Grp	IMT	2.00	1.88	1.94	-.06	-3.13	2.06	1.56	.32	-.94	.19	-28.72	.47	-.10 S	-17.2	6.0	2.6	4.0	.11	5.7	09-27-83	7742.8	198.3	1.1	.54	1.92	1082
Intl Dairy Queen	INDQ	37.00	35.00	35.50	-1.00	-2.74	40.00	20.75	.13	-.09	.67	-48.41	2.17	.81 N	39.3	64.0	6.3	12.4	.00	.0	00-00-00	98.6	6.2	1.1	11.23	6.32	1182
Int King Tab	IKNG	18.50	16.75	18.25	1.00	5.80	23.00	4.81	-.72	.05	-.48	.66	.92	.86 Q	296.5	65.0	4.8	15.9	.00	.0	08-15-83	50.0	2.4	.4	5.16	3.18	0683
JB's Rest	JBBB	14.00	11.63	14.00	1.25	9.80	18.13	9.88	-.39	2.65	5.18	3.52	1.00	.07 F	7.5	19.0	4.1	14.0	.20	1.4	08-08-83	53.3	2.2	.9	6.38	5.84	0982
Jerrico Inc	JERR	17.75	16.25	17.50	.88	5.26	23.13	16.25	-.41	-.51	1.66	-79.23	1.33	-.07 F	-5.0	27.0	4.6	13.2	.12	.7	11-04-83	452.1	21.0	1.8	5.03	10.28	0683
Kapok Cp	KPK	5.88	5.50	5.75	-.13	-2.13	10.75	3.38	.26	-.37	-1.45	76.64	-.37	-.54 N	NE	-52.0	-6.1	NE	.00	.0	00-00-00	11.4	-.7	2.5	1.36	5.45	0982
Kelly-Johnston	KEJO	14.25	12.75	14.25	1.38	10.68	18.75	11.84	-.47	.04	-3.87	9.86	.40	.09 Q	27.2	57.0	6.3	33.9	.00	.0	10-13-82	38.0	2.4	4.0	3.29	4.41	0383
Karcher Carl	CARL	37.00	34.75	36.25	.00	.00	43.75	15.00	-.46	.16	-4.00	15.46	1.32	.34 S	28.5	23.0	4.0	23.7	.00	.0	02-16-83	231.0	9.3	2.4	8.31	8.13	0183
Luby's Cafe	LUB	35.38	33.75	35.00	.50	1.45	35.38	28.00	.26	.45	-1.46	-76.41	1.53	.18 F	13.3	31.0	9.6	22.9	.60	1.7	12-12-83	144.1	13.9	1.9	.64	6.79	0882
Marcus Corp	MRCS	14.00	13.63	14.00	.38	2.75	15.13	8.50	-.06	.35	-6.47	-29.65	1.28	.24 Q	21.0	7.0	6.1	10.1	.25	1.8	07-01-83	108.9	6.6	1.2	2.72	11.07	0583
Marriott Corp	MHS	74.88	68.13	74.63	6.25	9.14	81.00	50.25	.13	.30	4.04	-2.44	3.44	.58 N	17.3	36.0	3.7	19.0	.36	.5	09-19-83	2541.4	94.3	.9	33.49	19.43	1282
McDonald's Cp	MCD	74.38	69.25	73.38	4.25	6.15	74.50	53.63	.52	.03	2.58	-28.20	5.00	.65 N	13.3	23.0	11.1	13.3	1.00	1.4	10-25-83	2715.2	300.6	.5	17.62	25.51	1282
Morrison Inc	MORR	18.88	18.00	18.88	.75	4.14	21.06	14.28	-.30	.26	1.26	23.04	1.34	.21 Q	17.9	14.0	4.5	13.7	.40	2.1	10-07-83	416.4	18.7	1.5	2.39	8.57	0583
Mr Steak	MSST	8.50	8.00	8.25	.00	.00	10.50	2.13	-.43	.11	.22	-25.26	-.98	-.17 N	NE	-38.0	-2.7	NE	.00	.0	05-29-80	59.8	-1.6	1.1	4.26	3.76	0982
Nathans	NATH	3.13	3.00	3.13	.13	4.17	3.63	1.19	-.08	-.19	-4.49	2.60	.09	.02 S	20.0	23.0	1.1	26.0	.00	.0	09-09-83	17.5	.2	.8	.05	1.79	0383
Naugles Inc	NAUG	17.75	14.25	17.75	2.38	15.45	32.75	14.25	-.16	2.77	1.36	8.20	.70	.11 F	18.6	95.0	3.6	25.4	.00	.0	11-01-82	86.7	3.1	.8	6.57	4.96	0683
Oakbrook Cons	OKCO	16.00	16.00	16.00	.00	.00	18.50	14.00	.12	-.23	-3.02	.00	.69	-.81 N	-90.0	-10.0	.4	177.8	.32	2.0	06-09-83	143.6	.6	.6	3.82	13.85	0982
Orange-co	OJ	8.00	6.88	7.25	.50	7.41	8.00	4.38	1.07	-2.44	-.11	-28.65	.63	.88 F	NE	-15.0	2.5	11.5	.00	.0	02-22-82	80.7	2.0	1.3	13.28	4.63	0882
Peoples Rest	PEPL	9.75	7.13	7.88	.13	1.61	15.13	5.75	-.93	-3.88	4.10	-13.22	.28	.10 Q	47.6	106.0	7.5	25.4	.00	.0	00-00-00	25.3	1.9	1.3	1.86	4.41	0683
Piccadilly Caf	PICC	14.63	14.25	14.50	.25	1.75	18.13	12.75	.07	.02	.29	1.93	.99	-.49 Q	-35.5	3.0	3.9	16.3	.60	4.1	12-09-83	152.7	6.0	1.6	.00	7.71	0683
Pizza Inn	PZA	15.75	14.38	15.63	1.13	7.76	17.50	5.34	.64	1.92	-1.05	35.16	.55	.70 N	179.4	9.0	1.3	14.3	.06	.4	10-28-83	135.1	1.7	.9	12.32	6.63	1282
Pizza Time Thea	CHKY	8.88	6.50	8.88	2.38	36.54	26.00	6.38	-.93	6.26	2.64	4.62	1.27	.29 N	25.8	75.0	7.6	6.3	.00	.0	00-00-00	99.3	7.5	1.2	5.53	9.23	1282
Ponderosa Sys	PON	20.38	17.38	18.88	.63	3.42	25.25	15.00	-.36	-.91	3.04	42.04	1.50	.13 S	9.1	-3.0	2.8	12.2	.33	1.7	09-21-83	376.7	10.4	.8	8.03	12.43	0283
Ramada Inns	RAM	10.75	9.38	10.63	1.13	11.84	11.88	4.88	-.06	1.26	-2.17	-3.78	-.73	.15 N	NE	-30.0	-3.6	NE	.00	.0	10-19-81	547.5	-19.8	.6	18.50	5.12	1282
Restaur Assc	RA	8.38	7.50	8.13	.75	10.17	11.38	5.38	.12	1.79	-2.16	3.35	.77	.12 N	19.3	37.0	1.8	11.0	.00	.0	00-00-00	104.8	1.9	1.0	3.98	7.15	1282
Ryans Fam Steak	RYAN	23.50	19.75	23.25	2.00	9.41	28.25	5.72	-.60	2.22	-3.57	-20.74	.33	.13 N	40.6	87.0	10.6	51.7	.00	.0	04-20-83	9.4	1.0	3.1	.34	1.61	1282
Saga Corp	SGA	31.50	27.25	30.63	2.00	6.99	40.25	18.63	-.49	2.01	1.57	-30.65	2.10	.49 Q	28.9	73.0	2.3	14.0	.36	1.2	11-14-83	978.8	22.4	.9	4.65	10.62	0683
Sandwich Chef	SHEF	10.75	10.50	10.75	.25	2.38	15.50	10.50	-.84	.49	-4.31	46.57	.70	-.17 Q	-21.5	19.0	4.5	17.3	.00	.0	00-00-00	20.2	.9	1.5	.08	5.38	0683
Sea Galley	SEAG	11.63	10.38	11.63	1.13	10.71	15.00	5.50	.10	.03	4.34	-23.96	.02	-.81 N	-155.7	-14.0	-.6	NE	.00	.0	06-02-81	70.1	-.4	1.3	5.10	4.90	1282
Servico Inc	SRVI	14.25	14.00	14.25	-.25	-1.72	17.94	9.53	-.10	-.21	3.10	-42.94	.67	-.40 S	-41.6	27.0	1.5	25.4	.00	.0	09-09-83	138.1	2.1	1.1	59.81	5.64	1282
Shoney's Inc	SHON	25.00	23.25	25.00	1.50	6.38	27.38	18.38	.63	1.44	-3.43	12.12	.86	.26 N	35.6	26.0	5.1	25.3	.15	.6	10-03-83	324.9	16.6	1.0	2.65	5.02	1082
Sizzler Rest Intl	SIZZ	13.75	11.50	13.50	1.50	12.50	16.25	10.13	.17	2.82	4.08	-4.83	1.01	.29 Q	36.2	18.0	4.5	12.4	.00	.0	00-00-00	128.0	5.8	1.0	2.33	4.63	0482
Skippers	SKIP	11.00	9.50	11.00	1.25	12.82	15.50	4.50	-.24	3.49	2.39	25.13	.48	.45 N	121.6	18.0	2.6	13.4	.08	.7	03-31-83	38.1	1.0	.5	3.38	6.69	1282
Sonesta Hotel	SNSTA	16.50	16.50	16.50	.00	.00	22.00	16.50	-1.27	-.22	1.02	.00	.37	-.18 S	-20.9	-1.0	.9	24.3	.26	1.6	10-05-83	80.1	.7	1.1	34.95	12.68	1282
So Hospitality	SHOS	4.75	4.63	4.75	.13	2.70	7.50	2.13	-.23	.58	-2.50	-2.33	.27	.09 Q	42.8	104.0	3.8	15.8	.00	.0	00-00-00	26.3	1.0	.8	4.32	.24	0583
Steak n Shake	STAK	10.00	9.00	9.13	.13	1.39	10.00	2.88	1.73	-2.01	2.98	1.53	.29	.11 F	61.1	44.0	2.0	31.5	.00	.0	05-17-79	64.4	1.3	1.1	4.94	2.76	0982
Victoria Stations	VSTA	8.75	7.13	8.50	1.50	21.43	13.63	5.63	.19	.07	6.28	-9.91	-2.39	-2.25 S	NE	-82.0	-7.1	NE	.00	.0	09-19-79	111.9	-8.0	.6	8.39	8.51	0383
Wendys Intl	WEN	20.88	18.25	19.88	.88	4.61	20.88	13.00	.72	.08	3.82	-1.33	1.13	.19 N	17.4	22.0	7.3	15.5	.32	1.6	11-03-83	604.3	44.1	.8	2.53	6.50	1282
Webb Del E	WBB	18.88	16.00	18.75	2.63	16.28	25.00	9.13	-.27	1.87	2.72	-13.97	.16	1.44 N	NE	-18.0	.5	31.8	.00	.0	11-07-80	311.2	1.5	.9	11.32	13.71	1282
Western Steer	WSMP	12.75	11.50	11.50	-1.25	-9.80	17.50	8.50	-.14	-1.87	-4.50	19.80	.92	-.13 S	-11.8	6.0	3.1	11.9	.16	1.4	08-29-83	28.8	.9	1.3	6.21	7.23	0283
Winners Cp	WNER	13.63	12.25	13.13	.63	5.00	17.13	10.03	.14	-.02	1.72	-28.87	.63	-.03 N	-4.7	11.0	2.6	21.9	.00	.0	03-10-83	83.1	2.2	.5	7.06	6.43	1282

KEY: NA—Not Applicable NC—Not Calculable NE—Negative Earnings Q-First Quarter S-Six months N-Nine months F-Fiscal year
**—Other than a quarterly multiple resulting from a fiscal year change.*

Data and Table Provided by Media General Financial Services, Inc., Richmond, VA 23261

FINANCIAL NEWS

Walt Disney profit drops 13% in quarter

BURBANK, Calif.—Walt Disney Productions has reported that net income in the fourth quarter, ended Sept. 30, fell 12.8% from $28 million to $24.5 million.

Net income for the fiscal year was also down; 6.9% from $100 million to $93 million.

Revenues, however, were up for the quarter and the year. An increase of 23% from $295 million to $363 million was reported for the fourth quarter and revenues for the year climbed 27% from $1 billion to $1.3 billion.

While "the continuing excellent public response to Disney's Epcot Center in Orlando, Fla.," was the reason for the revenue increase, according to president Ron Miller, Epcot was also the reason why Disney's stock price dropped a dramatic 25% when fourth-quarter financial reports were filed. Due to cost overruns the total bill for constructing Epcot will come to $1.2 billion as compared to the $600 million originally planned.

The 100% cost increase shook industry observers who were already anticipating a loss associated with Disney's six-month-old cable channel and failing motion picture department. "Something Wicked This Way Comes," a 1983 release, was responsible for a $21 million writedown, while the cable channel totaled $28.3 million in losses for the year.

Denny's net profit up 14%

LA MIRADA, Calif.—Denny's Inc. has scored a 14% increase in net profit to $13.8 million for the first quarter ended Sept. 30, compared to last year's first quarter, on a 19% gain in revenues to $320.3 million. Gains in operating profit for the quarter of 21% to $32.2 million were trimmed back to the reported net by increases in net interest expense and a change in cost allocation, according to Denny's president Vern O. Curtis.

The first quarter was 14 weeks in length, compared to 13 weeks for the same period last year.

Curtis reported that operating profit of Denny's restaurant division was up 24% over last year's first quarter on a revenue increase of 22%. Average quarterly sales of company operated domestic restaurants were $276,000 vs. $246,000 a year ago—a 5% increase, excluding the impact of the extra week in the most recent reporting period.

Curtis indicated that 40% of the average-unit sales increase came from higher customer traffic.

Average Winchell's Donut House sales during the quarter were $53,700—a 5% gain over the prior year, discounting the effect of the longer first quarter in fiscal 1984. The Winchell's gains resulted from higher menu prices, although increased customer counts in about 50 units offering a new line of deli sandwiches were reported.

On October 10 Denny's completed the $12-million purchase of the 19-unit El Pollo Loco chicken chain in Los Angeles. Donald L. Pierce, former vice president of finance for Denny's restaurant division, has been named president of the El Pollo Loco division.

Curtis has indicated that Denny's will be moving rapidly to expand the Mexican-style char-grilled chicken chain in southern California, in an effort to solidify its market dominance, and to preclude Pollo Loco's 300-odd cloned competitors in the Los Angeles area from saturating the local "pollo" marketplace.

Curtis has determined that Denny's will develop only company operated Pollo Loco units in most markets, including all of southern California. However, he said, the company has left the door open for "the right franchisee with enough capital who is willing to take direction" to open chicken outlets "in some other markets."

Merger cuts Godfather's profit

OMAHA—Third-quarter net profits at Godfather's Pizza dropped 28% to $1.64 million, compared to last year's third quarter, while revenues increased 16% to $31.2 million.

For the 39-week period ended Oct. 2, net profits were up 14% to $6.5 million, while revenues rose 34% to $87 million.

Figures for the first three quarters were restated because of the acquisition of a franchisee, Pizza Ventures, on Sept. 2.

Godfather's said the decrease in profits was due to expenses totaling $1.99 million related to the Pizza Ventures merger.

Meanwhile Godfather's said it signed a definitive agreement on Oct. 20 for the acquisition by Chart House Inc.

The structure of the deal was revised from the original agreement in principle signed Sept. 12. Under the new agreement signed by the boards of both companies, Godfather's will exchange 1.17 shares of its common stock for each of more than 15 million outstanding shares of Chart House stock.

With this new agreement William Theisen, founder of Godfather's, becomes vice chairman of Chart House. William Trotter remains chairman and Donald N. Smith is president and chief executive officer. The board of the new company will be made up of all Chart House board members plus three members of the Godfather's board.

Godfather's operates 198 pizza restaurants and franchises 615 others.

Hardee's operating profit jumps 36% in 2nd quarter

MONTREAL—The Hardee's fast-food chain posted a 36% gain in operating profits to $30 million (Canadian) for the second quarter ended Sept. 30 compared to the year-ago period, its Montreal-based parent company, Imasco Ltd., reported.

Hardee's Food Systems of Rocky Mount, N.C., which is organized as a holding company called Imasco U.S.A., posted revenues of $301.5 million (Canadian) in the second quarter, up 11% over the same time last year.

For the six months, Hardee's operating profit increased 25% to $53.6 million (Canadian) on a 11% revenue rise to $572.5 million (Canadian).

Int'l Dairy Queen net rises 13%

MINNEAPOLIS—International Dairy Queen achieved a third-quarter net profit rise of 13% to $3.39 million, compared to the same period last year. Revenues for the quarter, ended Aug. 26, were up 16% to $37.7 million.

For the nine months, profit jumped 17% to $6.2 million, while revenues also rose 17%, to $93.2 million.

IDQ licenses more than 4,700 Dairy Queen units in the United States and several foreign countries. It also operates more than 100 Golden Skillet restaurants.

Jerrico's earnings increase 8% in 1st qtr.

LEXINGTON, Ky.—Jerrico's net profit rose 3% to $5.9 million on revenues that increased 8% to $125.6 million for the first quarter ended Sept. 30, the operator of Long John Silver's Seafood Shoppes said.

Average quarterly sales for company-operated stores were $116,600, compared to $116,300 for the prior year.

Average quarterly pretax earnings per unit dropped, however, to $20,000 from the prior year's $20,700, Jerrico said, and real sales were down 2.1% if average price increases of 2.4% are taken into account.

As of Sept. 30, there were 1,331 Long John Silver's, of which 796 were company-operated.

JB's closes 'best year' with net increase of 35%

SALT LAKE CITY—JB's Restaurants, a Big Boy operator, said net profits for the fiscal year ended Sept. 25 were $2.18 million, a 35% increase over last year.

Revenues for the year increased 18.1% to $53.4 million.

For the fourth quarter net profit was $700,000, a 17% increase over the same period last year, while revenues rose 13% to $12.09 million.

Stating that this was JB's best year in its 22-year history, president Clark D. Jones attributed it to a remodeling program and breakfast sales.

Remodeled units averaged more than 50% increases in sales, he said. At the end of the year 28 units had all-you-can-eat breakfast and fruit bars. Jones said these would be in all stores by next spring.

JB's operated 74 restaurants in eight Western states at year's-end. Most are called JB's Big Boy Restaurants.

EARNINGS REPORT

Company	Period	Period Ended	Total Sales*	% Change	Revenues*†	% Change	Net Income (Loss)*	% Change
Denny's	3 mos.	9/30			$320.3	19.0	$13.800	14.0
Godfather's Pizza	3 mos.	10/2			31.2	16.0	1.640	– 28.0
	9 mos.				87.0	34.0	6.500	14.0
I.D.Q	3 mos.	8/26			37.7	16.0	3.390	13.0
	9 mos.				93.2	17.0	6.200	17.0
JB's Restaurants	3 mos.	9/25			12.1	13.0	0.700	17.0
	12 mos.				53.4	18.0	2.180	35.0
Jerrico's	3 mos.	9/30			125.6	8.0	5.900	3.0
Nathan's Famous	3 mos.	9/25			6.0	9.0	0.611	11.0
	6 mos.				11.0	10.0	0.908	13.0
Pancho's Mex. Buffet	3 mos.	9/30			.7.3	18.0	0.440	13.0
	12 mos.				25.3	4.5	1.16	41.0
People's	3 mos.	9/26			11.9	—	0.718	—
	12 mos.		$ 27.3	368.0			1.800	132.0
Piccadilly	3 mos.		40.8	8.0			1.400	– 30.0
Pillsbury	3 mos.	8/31	929.0	15.0			35.000	36.0
Taco Viva	3 mos.	8/31			5.1	50.0	0.235	11.0
PepsiCo.	3 mos.	9/3	2 Bil.	5.2			95.200	– 12.0
Walt Disney Productions	3 mos.	9/30			363.0	23.0	24.500	– 12.8
	12 mos.				1.3 Bil.	27.0	93.000	– 6.9

Source: *Company earnings reports*

—loss in corresponding period

**In millions*

†In cases where companies do not break out their total sales for all units, revenues are indicated instead. These generally consist of company-owned restaurant sales, franchise fees and rental incomes, royalties and operating income, as well as other miscellaneous incomes, such as interest income and gains on real estate and construction.

Piccadilly suffers net decrease

BATON ROUGE, La.—Higher costs and new-unit opening expenses pushed Piccadilly Inc. net profits down 30% to $1.4 million for the first quarter ended Sept. 30, compared to the year-ago quarter.

Sales rose 8% to $40.8 million year-to-year in the first quarter.

Modest customer-count gains were offset, the company said, by higher shop-level operating costs. In addition, two new cafeterias opened and it will be two to three months before they become profitable, the company said.

Piccadilly, which operates 87 Sunbelt cafeterias, said the new units were opened in Amarillo, Tex., and New Orleans. Six more are due this fiscal year.

USACafes posts $454,000 earnings

DALLAS—USACafes, the new franchisor of Bonanza restaurants, has reported net earnings of $454,000 on total revenues of $3.6 million for the third quarter ended Sept. 25. Profits were $419,000 on total revenues of $3 million during the same period last year.

USACafes, incorporated in August as a wholly-owned subsidiary of Bonanza International Inc., was spun-off as a publicly held company on Oct. 31, at a meeting of Bonanza stockholders. USACafes was established to acquire Bonanza's United States restaurant business and to develop and franchise additional restaurant chains. USACafes became a separate public company through distribution of approximately 4.7 million shares.

Bonanza's 535 franchised restaurants grossed chainwide sales of $98.7 million for the third quarter, vs. $91.5 million for the comparable 1982 period. Year-to-date sales are $280.7 million compared to $265 million a year ago.

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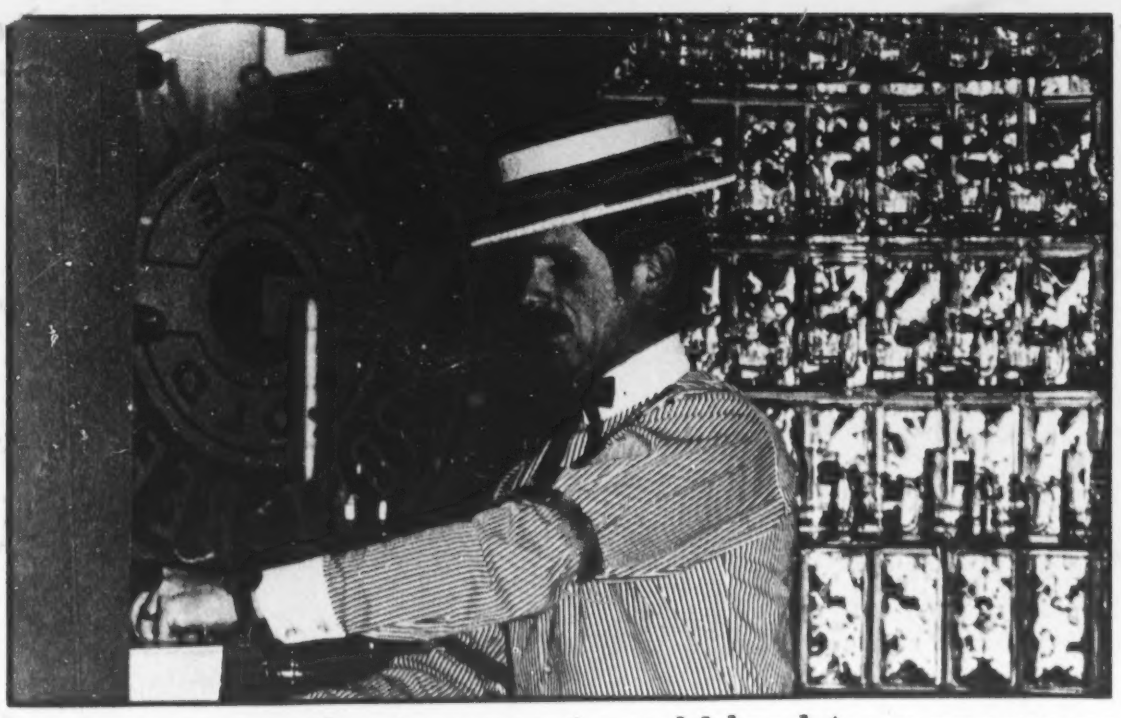
HOTTEST COMPANIES FO

- QUALITY C
- PROFIT LEA
- STOCK MA

Pillsbury's Häagen Dazs and Marriott's Roy Rogers chains are considered quality leaders.

Leader in the Mexican dinnerhouse segment, Chi-Chi's is undisputed darling of Wall Street.

Wendy's plans rock 'em-sock 'e ambitious new product push just



A new owner and new concept could lead to resurgence at A & W.

With its 200th unit just opened Horn & Hardart's Bojangles